

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

MAY - 6 1998

Federal Communications Commission
Office of Secretary

In The Matter of)	
)	
Billed Party Preference)	CC Docket No. 92-77
For InterLATA 0+ Calls)	

COMMENTS ON PETITIONS FOR RECONSIDERATION

Intellicall, Inc. ("Intellicall"), by its attorneys and pursuant to Section 1.429(f) of the Commission's rules,¹ hereby files these comments on the Petitions for Reconsideration of the *Second R & O* in the above captioned proceeding filed by One Call Communications, Inc., d/b/a OPTICOM, and Cleartel Communications Inc., Operator Service Company and Teltrust Communications Services, Inc. (jointly "Petitioners").² Petitioners ask that the Commission reconsider its decision to require operator service providers ("OSPs") to comply with its rate disclosure rules by July 1, 1998. Specifically, Petitioners seek an extension of the effective date for compliance with the rules.

Intellicall takes no position on the time that these OSPs should be given to implement the changes required by the new rules. However, in requesting additional time, Petitioners make repeated references to the *Second R & O's* treatment of store-and-forward OSPs as justification for their request. It appears from these references that Petitioners may have misunderstood the

¹ 47 C.F.R. § 1.429.

² *In the Matter of Billed Party Preference for InterLATA 0+ Calls*, Second Report and Order on Reconsideration, CC Docket No. 92-77, released Jan. 29, 1998 ("*Second R & O*"). The Petitions for Reconsideration of the *Second R & O* were filed with the Commission on April 9, 1998 and published in 63 Fed. Reg. 19726 (April 21, 1998).

nature and extent of the difficulties faced by store-and-forward OSPs in achieving compliance with the new rules. In these comments, Intellicall seeks to correct any misunderstandings regarding the time allotted store-and-forward OSPs to provide rate quotes.

I. The Nature of Store-and-Forward Technology

Intellicall is the leading provider of store-and-forward, or "smart," payphones. These telephones contain sophisticated automated operator systems that perform, without human intervention, the functions necessary to complete a variety of calls. Through these systems, the telephone is capable of providing automated call setup and call recording as well as storing all detail records for later remote aggregation, rating and billing.³ Specifically, the caller interacts with the software in the telephone by providing the destination number, the billing type and other billing information prior to the transmission of the call over the network.⁴ Once the necessary billing information is collected and validated, the call is then transmitted as a 1+ call. Later, *after* the call is completed, call detail records are retrieved at a remote location, calls are rated pursuant to rate tables, and finally billed, typically through local exchange carrier billing and collection services.

Thus, store-and-forward technology is characterized by customer premises equipment ("CPE")-based intelligence and the physical separation of all processing and call rating/billing

³ For the Commission's convenience, attached is an affidavit of B. Reid Presson, former Vice President, Regulatory Affairs for Intellicall, Inc., that explains the technology of store-and-forward OSPs as it relates to the existing and new disclosure rules.

⁴ Generally, store-and-forward OSPs do not provide live operators.

functions. In other words, the call setup process is separated both in time and space from the call rating process. Each geographically-separated payphone performs its own individual call processing. The call rating occurs at a later time, after the completion of the call. Consequently, any modification in the call setup procedure requires a modification to each and every payphone that is equipped with Intellicall's store-and-forward technology at each separate geographic location.

II. The Commission's Current and Amended Disclosure Rules

Under the current rules, store-and-forward OSPs, like all OSPs, are required to make rates available upon request.⁵ Aggregators must post on or near the telephone, in plain view of consumers, the name, address and toll-free number of the OSP, as well as a written disclosure that rates for operator-assisted calls are available upon request.⁶ To obtain rate information, a caller dials a toll-free number designated by the presubscribed OSP. Pursuant to these rules, Intellicall telephones are programmed with a speed-dial function that allows the consumer to receive rate quotes by dialing "*0," after which the telephone dials the toll free 1-800 number designated by the OSP.⁷

In the *Second R & O*, the Commission amended its rules to require that *before* a 0+ interstate, domestic, interexchange call from an aggregator location may be connected by an OSP, the OSP must orally advise the caller how to receive a rate quote. There are two significant

⁵ 47 C.F.R. § 64.703(a).

⁶ 47 C.F.R. § 64.703(b).

⁷ Upon being connected to the 1-800 number, the caller interacts with an automated system by providing destination and billing information necessary to receive a rate quote for the call.

components to the new rules: (1) the availability of the rate quote must be announced orally, not merely posted on or near the telephone; and (2) the caller must be able to obtain the rate quote on the same initial call; that is, the consumer must not be required to hang up and initiate an entirely separate call in order to receive the rate quote. In contrast to the current rules, then, the new rules require that rates be available simply by pressing the # key, one or two other keys, or by simply staying on the line.

These new features present particular problems for store-and-forward telephones because the call processing is segregated from the call rating. Intellicall's current "*0" method is insufficient because there is no way, once the caller has received the rate information, to allow the caller to complete the call. In addition, because store-and-forward telephones rely entirely on automated, rather than live, operator services, a caller cannot be "defaulted" to a live operator system. Indeed, because the call setup is performed within the telephone, before an outbound call is released to the network, Intellicall and other manufacturers of store-and-forward equipment must literally move the rate information into the telephone to become part of the call processing. This means that the rate tables must be stored within the telephones and new software must be developed to provide the required rate quotes within the telephone mechanism itself.

Moreover, until the implementation process is complete, store-and-forward telephones can disclose rate quotes *only if* the caller makes a separate call to the rate quote system. Because call setup is performed within the telephone, but rate quote information is not accessible within the telephone, rate quote disclosure cannot be accomplished in a single call. Thus, the only way that store-and-forward OSPs can comply with the Commission's rules and avoid the forced abandonment of existing equipment is to upgrade their software. There is no interim "fix." As

outlined in its February 6, 1998 *ex parte* letter to the Commission, Intellicall projects that the process for drafting, manufacturing, testing and implementing 0+ rate quote capability in its store-and-forward telephones will take until at least October 1999.⁸

Intellicall is working hard in order to overcome the technical obstacles to compliance with the new rules. However, as explained in the record before the Commission, this process will, in the case of manufacturers of store-and-forward equipment such as Intellicall, take some time. A limited "grandfathering" of store-and-forward telephones is appropriate to prevent these regulatory changes from forcing the technology off the market. Assuming that no physical changes to the telephones will be needed, Intellicall estimates that the implementation process will take until October 1999. Intellicall will do its best to ensure that all of its telephones provide the required rate disclosure on or before October 1999.

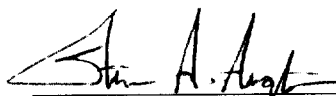
III. Conclusion

In its *Second R & O*, the Commission determined that oral disclosure of rate information at the point of purchase will better able consumers to make informed decisions as to their 0+ calls and also further competition in the OSP marketplace. Thus, the Commission amended its rules to require that all OSPs must comply with the new rules. However, the Commission realized that store-and-forward OSPs are special in that what makes the "smart" technology smart is the fact that live operators are not needed. In order to comply with the oral disclosure requirement in a single call, then, these OSPs have no choice but to either upgrade their software or abandon their equipment. Clearly, the former is the preferred option. The Commission wisely

⁸ Ex parte Letter, from Steven A. Augustino, counsel for Intellicall, Inc., to Magalie R. Salas, Secretary, Federal Communications Commission (Feb. 6, 1998). A document attached to the ex parte letter illustrates the steps necessary to implement the changes required by the new rules in Intellicall's store-and-forward equipment.

allowed time for these OSPs to complete the process of implementing the software upgrade so as to come into compliance with the Commission's rules.

Respectfully Submitted,

A handwritten signature in dark ink, appearing to read "Steven A. Augustino", is written over a horizontal line.

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Date: May 6, 1998

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DECLARATION

I, B. Reid Presson, Jr., declare under penalty of perjury that the following is true and correct:

1. I am currently Regulatory Consultant to the Intellicall Group of Companies, consisting of Intellicall, Inc. ("Intellicall"), Intellicall Operator Services, Inc. and ILD Teleservices, Inc. I joined Intellicall in 1985 as Vice President and served as Vice President, Regulatory Affairs for Intellicall and IOS until my retirement in January 1998.
2. At Intellicall, I was responsible for establishing and implementing the company's regulatory policy and assuring conformance with state and federal rules and regulations related to store-and-forward payphones and operator services. I participated in numerous proceedings addressing Intellicall's store-and-forward technology and its capabilities, including presentations to the Federal Communications Commission ("Commission") and numerous state utility commissions.
3. I am making this Declaration in support of Intellicall's Comments on Petitions for Reconsideration filed with the Commission on May 6, 1998.
4. On January 29, 1998, the Commission released its Second Report and Order on Reconsideration ("*Second R & O*") in the above-captioned proceeding. Two Petitions – filed by

One Call Communications, Inc., d/b/a OPTICOM, and jointly by Cleartel Communications Inc., Operator Service Company and Teltrust Communications Services, Inc. (jointly "Petitioners") – ask that the Commission reconsider its decision to require operator service providers ("OSPs") to comply with its rate disclosure rules by July 1, 1998. Specifically, Petitioners seek an extension of the effective date for compliance with the rules.

5. In requesting additional time, Petitioners make repeated references to the *Second R & O's* treatment of store-and-forward OSPs as justification for their request. It appears from these references that Petitioners may have misunderstood the nature and extent of the difficulties faced by store-and-forward OSPs in achieving compliance with the new rules. I would like to assist in correcting any misunderstandings regarding the time allotted store-and-forward OSPs to provide access to rate quotes.

6. Intellicall is the leading provider of store-and-forward, or "smart," payphones. These telephones contain sophisticated automated operator systems that perform, without human intervention, the functions necessary to complete a variety of calls. Through these systems, the telephone is capable of providing automated call setup and call recording as well as storing all detail records for later remote aggregation, rating and billing. Generally, store-and-forward OSPs do not provide live operators.

7. Specifically, the caller interacts with the software in the telephone by providing the destination number, the billing type and other billing information prior to the transmission of the call over the network. Once the necessary billing information is collected and validated, the call is then transmitted as a 1+ call. Later, *after* the call is completed, call detail records are retrieved at a remote location, calls are rated pursuant to rate tables, and finally billed, typically through local exchange carrier billing and collection services.

8. Store-and-forward technology is characterized by customer premises equipment ("CPE")-based intelligence and the physical separation of all processing and call rating/billing functions. In other words, the call setup process is separated both in time and space from the call rating process. Each geographically-separated payphone performs its own individual call processing. The call rating occurs at a later time, after the completion of the call. Consequently, any modification in the call setup procedure requires a modification to each and every payphone that is equipped with Intellicall's store-and-forward technology at each separate geographic location.

9. Under Section 64.703 of the Commission's current rules, store-and-forward OSPs, like all OSPs, are required to make rates available upon request. In addition, aggregators must post on or near the telephone, in plain view of consumers, the name, address and toll-free number of the OSP, as well as a written disclosure that rates for operator-assisted calls are available upon request. To obtain rate information, a caller dials a toll-free number designated by the presubscribed OSP. Pursuant to these rules, Intellicall telephones are programmed with a speed-dial function that allows the consumer to receive rate quotes by dialing "*0," after which the telephone dials the toll free 1-800 number designated by the OSP. Upon being connected to the 1-800 number, the caller interacts with an automated system by providing destination and billing information necessary to receive a rate quote for the call.

10. In the *Second R & O*, the Commission amended its rules to require that *before* a 0+ interstate, domestic, interexchange call from an aggregator location may be connected by an OSP, the OSP must orally advise the caller how to receive a rate quote. There are two significant components to the new rules: (1) the availability of the rate quote must be announced orally, not merely posted on or near the telephone; and (2) the caller must be able to obtain the rate quote on

the same initial call; that is, the consumer must not be required to hang up and initiate an entirely separate call in order to receive the rate quote. In contrast to the current rules, then, the new rules require that rates be available by pressing the # key, one or two other keys, or by staying on the line.

11. These new features present particular problems for store-and-forward telephones because the call processing is segregated from the call rating. Intellicall's current "*0" method is insufficient because there is no way, once the caller has received the rate information, to allow the caller to complete the call.

12. In addition, because store-and-forward telephones rely entirely on automated, rather than live, operator services, a caller cannot be "defaulted" to a live operator system. Indeed, because the call setup is performed within the telephone before an outbound call is released to the network, Intellicall and other manufacturers of store-and-forward equipment must literally move the rate information into the telephone to become part of the call processing. This means that memory capacity must be found to store rate tables within the telephones and new software must be developed to provide the required rate quotes within the telephone mechanism itself.

13. Until the implementation process is complete, store-and-forward telephones can disclose rate quotes *only if* the caller makes a separate call to the rate quote system. Because call setup is performed within the telephone, but rate quote information is not accessible within the telephone, rate quote disclosure cannot be accomplished in a single call. Thus, the only way that store-and-forward OSPs can comply with the Commission's rules is to upgrade their software. There is no interim "fix." In other words, without additional time for compliance, OSPs would be forced to abandon the store-and-forward functions of the payphone. Intellicall projects that

the process for drafting, manufacturing, testing and implementing 0+ rate quote capability in its store-and-forward telephones will take until at least October 1999.

14. Intellicall is working hard in order to overcome the technical obstacles to compliance with the new rules. However, this process will, in the case of manufacturers of store-and-forward equipment such as Intellicall, take some time. A limited "grandfathering" of store-and-forward telephones is appropriate to prevent these regulatory changes from forcing the technology off the market. Assuming that no physical changes to the telephones will be needed, Intellicall estimates that the implementation process will take until October 1999. Intellicall will do its best to ensure that all of its telephones provide the required rate disclosure on or before October 1999.

Signed: B. Reid Presson Jr.
B. Reid Presson, Jr.

Dated: 5/5/98

CERTIFICATE OF SERVICE

I, Melissa M. Smith, hereby certify that on this 6th day of May, 1998, I caused true and correct copies of the foregoing COMMENTS ON PETITIONS FOR RECONSIDERATION of Intellicall, Inc. to be served via U.S. mail, first class postage, upon those persons listed below.

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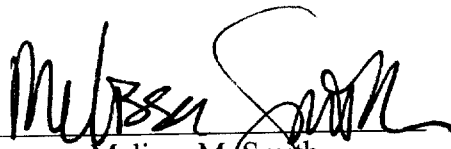
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Melissa M. Smith